

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Policy Procedure Manual

HOUSING CONVERSION ACTIONS
EXHIBIT A

Example of Rent Calculations for Family Remaining in Place
(Previously Unassisted Family)

EXAMPLE

The Jones family lives in a 2 bedroom unit and MSHDA issued a 2 bedroom voucher.
The Jones family decides to stay in its current unit.

Contract Rent at Prepayment	\$	370
Utility Allowance	\$	50
Gross Rent Paid by Family at Prepayment (<i>minimum family contribution for assisted families</i>)	\$	420
2BR Payment Standard	\$	495
Proposed Contract Rent	\$	580
Utility Allowance	\$	50
Proposed Gross Rent (<i>is reasonable</i>)	\$	630
30% of adjusted monthly income	\$	290
10% of gross monthly income	\$	110
HA minimum rent	\$	50

Voucher Subsidy Calculation (Long Form)

A.	Payment Standard (greater of PS or gross rent)	\$	630
B.	30% of Adjusted Monthly Income	\$	290
C.	Maximum Subsidy (A-B)	\$	340
D.	HA Utility Allowance	\$	50
E.	Rent to Owner	\$	580
F.	Gross Rent (D+E)	\$	630
G.	Gross Rent less Maximum Subsidy (F-C)	\$	290
H.	10% of Total Monthly Income	\$	110
I.	Gross Rent at Prepayment (Family contribution for assisted families)	\$	420
J.	Minimum Family Contribution (higher of H or I)*	\$	420
K.	Total Family Contribution (higher of G or J)	\$	420
L.	Gross Rent less Family Contribution (F-K)	\$	210
M.	Total Voucher Subsidy (lower of C or L)	\$	210
N.	HAP to Owner (lower of E or M)	\$	210
O.	Family Rent to Owner (E-N)	\$	420
P.	Utility Reimbursement to Family (M-N)	\$	0

*Regardless of whether the family stays or moves within development

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Short-Cut Voucher Subsidy Calculation for Families Staying in Place

A.	Proposed Gross Rent	\$ 630
B.	Minus, greatest of: 30% adjusted monthly income (\$290); 10% gross monthly income (\$110), or rent paid by family at prepayment (\$420)	\$ -420
C.	Housing Assistance Payment	\$ 210